

## Message Text

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PAGE 01 LONDON 14207 251403Z  
ACTION L-03

INFO OCT-01 EUR-12 ISO-00 CPR-01 SCA-01 SCSE-00 INR-07  
PER-05 /030 W

-----052130 251418Z /50

P R 251346Z AUG 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 7649

INFO AMEMBASSY BRUSSELS

UNCLAS LONDON 14207

STATE FOR L/M (PHIL SHAMWELL) & SCS (MS. LILLIAN MULLIN)  
USEEC

E.O. 11652: N/A

TAGS: AFSP, PDIP, PORG, EEC, UK

SUBJECT: STATUS OF VAT EXEMPTIONS FOR DIPLOMATIC  
ESTABLISHMENTS & PERSONNEL IN BRITAIN

REFS: (A) 76 LONDON 14719 (B) USEEC BRUSSELS 4204  
(C) US/UK CONSULAR CONVENTION NEGOTIATIONS

1. THE EMBASSY RECENTLY RECEIVED A NOTE FROM THE  
DOYEN OF THE DIPLOMATIC CORPS IN LONDON WHICH PROMUL-  
GATED RECENT THINKING OF THE UK FOREIGN AND COMMONWEALTH  
OFFICE CONCERNING THE VAT ISSUE.

2. TEXT OF LETTER FROM VICE-MARSHAL OF THE DIPLOMATIC  
CORPS AS IT CONCERNS VAT IS PROVIDED BELOW FOR YOUR  
INFORMATION:

QUOTE

ON THE QUESTION OF PERSONAL RELIEF FROM VAT ON GOODS  
AND SERVICES PURCHASED BY INDIVIDUAL DIPLOMATS, HER  
MAJESTY'S CUSTOMS & EXCISE, HAVING MADE A THOROUGH  
STUDY OF THE MATTER IN ALL ITS ASPECTS, DO NOT FEEL  
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ABLE TO GRANT ANY EXTENSION OF THE EXISTING CONCESSIONS.  
THEY HAVE IN PARTICULAR DRAWN ATTENTION IN THIS CON-  
NECTION TO THE PRINCIPLE LAID DOWN IN THE OPENING  
CLAUSES TO THE PREAMBLE TO THE VIENNA CONVENTION ON  
DIPLOMATIC RELATIONS, WHERE IT IS STATED THAT THE  
PURPOSE OF PRIVILEGES AND IMMUNITIES IS NOT TO BENEFIT  
INDIVIDUALS BUT TO ENSURE THE EFFICIENT PERFORMANCE OF

THE FUNCTIONS OF DIPLOMATIC MISSIONS. HOWEVER, IN PREPARATION FOR DISCUSSIONS WHICH WILL TAKE PLACE BETWEEN MEMBER STATES OF THE EEC CONCERNING THE ADOPTION IN THE FUTURE OF COMMUNITY TAX RULES FOR AFFORDING RELIEF FOR PURCHASES MADE BY DIPLOMATIC MISSIONS AND CERTAIN INTERNATIONAL BODIES, H.M. CUSTOMS & EXCISE ARE UNDERTAKING A GENERAL REVIEW OF THEIR PRESENT POLICY AS REGARDS RELIEF FROM VAT. THEY ARE IN PARTICULAR GIVING FURTHER CONSIDERATION TO THE QUESTION OF ACCORDING RELIEF FROM VAT IN RESPECT OF SUBSTANTIAL PURCHASES BY DIPLOMATIC MISSIONS FOR THEIR OFFICIAL USE. I VERY MUCH HOPE TO BE ABLE TO LET YOU HAVE A DECISION ON THIS IN THE NOT TOO DISTANT FUTURE AND I AM IN A POSITION TO GIVE YOU REASON TO HOPE THAT THE REVIEW WILL IN DUE COURSE LEAD TO CHANGES WHICH YOU AND YOUR COLLEAGUES WOULD FIND HELPFUL.

THE QUESTION OF THE PAYMENT OF THE "BENEFICIAL" PORTION OF LOCAL RATES BY DIPLOMATIC MISSIONS IS SIMILARLY BEING STUDIED CAREFULLY BY ANOTHER DEPARTMENT OF THE GOVERNMENT AND I WILL KEEP YOU INFORMED OF ANY CHANGE IN THE PRESENT SYSTEM WHICH MAY BE DECIDED. END QUOTE

STREATOR

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC PERSONNEL, EXCEPTIONS LIST  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** STATUS OF VAT EXEMPTIONS FOR DIPLOMATIC ESTABLISHMENTS & PERSONNEL IN BRITAIN  
**TAGS:** AFSP, PDIP, PORG, UK, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009